

## REMARKS

Applicants have received and considered the Office Action and the Examiner's comments therein raised with respect to the above-identified application. It is noted that the Examiner has withdrawn the 35 U.S.C. § 102 rejection of the pending claims pursuant to the arguments submitted by the applicant in connection with the amendment dated April 21, 2006. Yet, based upon additional references identified by the Examiner, the Examiner has again issued a new rejection of the pending claims based upon a combination of the two prior references with two additional new references. Based upon the Examiner's comments, the proposed combination of the new references provide the grounds for rejections under U.S.C. § 103. Specifically, the Examiner has rejected claims 26-30 under U.S.C. § 103(a) as being unpatentable over Katou in view of Tedesco. The Examiner has also rejected these claims 26-30 under the same provision, 35 U.S.C. § 103(a) as being unpatentable over Graef in view of Paulucci et al. The Tedesco and Paulucci references are the two new references identified by the Examiner.

As discussed in greater detail below, applicant believes that the rejection of the claims by the Examiner is in part, based upon a misunderstanding of the scope and intent of the present invention as described in claims 26-30. Accordingly, by the foregoing amendments to the claims, the applicants seek to more clearly describe what is understood as their invention. Once the invention is more clearly understood, it should be appreciated that the proposed combination of references which the Examiner suggests would not render obvious the present invention. Indeed, it is to be noted that applicants submit that the proposed combinations of the references to create a § 103 rejection would be ineffective as against the present invention even as originally claimed, as the proposed combinations do not contemplate the asserted incentive for the modification suggested by the Examiner.

### 35 U.S.C. § 103, Katou and Tedesco

Initially, the Examiner rejects claims 26-30 under Katou in view of Tedesco. As previously discussed in the prior amendment which was successful in overcoming the direct application of the Katou reference, Katou is directed to an ATM type of machine that may be found for example in a bank or banking station. The Katou machine is essentially an ATM that

can both accept currency and dispense currency. The Katou reference does not in any way also address the dispensing of commercial products which is the subject matter of the vending machine application in claims 26-30 in the present application. The Examiner acknowledged that the Katou reference does not properly anticipate the claims as previously proposed by withdrawing the 35 U.S.C. § 102 rejection.

Nonetheless, the Examiner proposes the addition of the teaching of Tedesco, citing in specifically paragraph 60 and Fig. 2 of Tedesco, as suggesting a vending machine embodiment of an automatic teller machine (ATM). The Examiner then indicates that both Katou and Tedesco are analogous art because they both concern currency handling including paper money handling.

By comparison to the Examiner's characterization, however, the Tedesco patent is not directed to the combination of an ATM machine with a vending machine. Instead, the Tedesco patent is particularly directed to a device which allows for the marketing of products or surveys to be incorporated into another device which, for convenience of the application, Tedesco identifies broadly as being a vending machine. Indeed, Tedesco specifically includes a statement within the application to define the term "vending machine" and give it a special definition only for the scope and purposes of that application as he was permitted to do under standard claim construction protocols adopted by the Federal Circuit. Accordingly, for purposes only of the application, Tedesco defines "vending machine" as "any automatic sales machine that allows payment to be exchanged for goods such as food products dispensed from snack or beverage machines, pub currency dispensed from automatic teller machines (ATMs) coins dispensed from paid telephones or slot machines, or the like. "See ¶ 25 of Tedesco. In that context, Tedesco is not attempting to assert that he is proposing a combination of an ATM machine and a vending machine.

Instead, the paragraph referenced by the Examiner, paragraph 60 of Tedesco, merely indicates that the implementation of the marketing device according to Tedesco may be implemented into the vending machines according to that broad definition which, according to the definition, includes ATMs. See ¶ 60 of Tedesco. Accordingly, Tedesco does not actually contemplate the combination of a bill validation device in combination with a bill dispensing

device of an ATM machine all incorporated into a machine for vending commercial products. Since the primary direction of the Tedesco reference has to do with the method and apparatus to allow the marketing and sale of products or surveys, the reference is not particularly concerned with the methodology which is the subject matter of the present invention. Instead, the Tedesco reference is primarily directed to allowing the marketing and promotion of items to people who are otherwise waiting for the utilization of a device such as a vending machine. According to Tedesco: "the present invention recognizes the customers making a purchase at a vending machine are captive audiences from marketing opportunities." See ¶ 9 of Tedesco.

Accordingly, based upon a complete reading of Tedesco, there is no incentive or contemplation of combining a vending machine having a bill acceptor with an ATM device to dispense bills according to Katou. Indeed, the Tedesco reference specifically identifies the types of bill validation devices that may be incorporated in paragraph 31. Of the devices identified, only the AE-2400 product available from Mars Electronics, Inc. is a bill handling device. See ¶ 31, *see also* Exh. A hereto. The other devices, the MC-5000 and TRC-200 from Mars Electronics, Inc. as well as the model 9300-L available from Coin Acceptors, Inc. are all coin handling devices not bill validation devices. See Exh. B hereto. With respect to the AE-2400 bill validation device which is identified in paragraph 31, it has no ability to recycle currency which is the subject matter of the present application. See Exh. A. Accordingly, since Tedesco actually did contemplate the utilization of a bill validation device within his marketing assembly and did not therein also call for the acquisition and dispensing of notes utilized to purchase product, the proposed combination fails because there is no proper motivation to combined and because the references do not fairly suggest that there would be a benefit to the combination proposed by the Examiner.

### 35 USC § 103, Graef and Paulucci

In the second 35 U.S.C. § 103 rejection, the Examiner proposes a combination of Graef and Paulucci. Again, similar to the Katou reference, Graef is directed to an ATM type of bill processor not a vending machine. Indeed, the Examiner notes that "Graef does not expressly disclose...the vending machine. "To remedy the deficiency of Graef, the Examiner proposes the addition of the vending machine of Paulucci into the automated teller machine of Graef. The

Examiner cites paragraphs 80-83 and Figs. 5-7 of Paulucci, indicating that paragraph 83 refers to an ATM controlling a vending device. The Examiner further indicates that Graef concludes an analogous art because they both concern currency handling, including paper money handling.

Most curiously, the Paulucci reference was a printed publication of an application which has been abandoned. Essentially Paulucci itself acknowledged that it was a mere conglomeration of components that were old and known in the art. Most significantly, the Paulucci reference specifically taught away from utilizing a bill validation device within the proposed vending machine preferring instead to move to a cashless type of device. For example in ¶ 5, Paulucci states “clearly it would be desirable to greatly reduce these operating costs by the introduction of cashless vending machines.” Similarly, while the Paulucci application discloses having a bill validation, device it then goes on in ¶ 79 to state “the present invention contemplates cashless vending machines that may vend more than one product (20) for one payment transaction. Cashless vending machines offer a number of advantages, a decrease need for security because money is not stored in the machine itself and decreased operator cost because the level of change in the machine does not have to be monitored and either collected or supplemented.” See ¶ 79 of Paulucci.

Accordingly, the actual preferred configuration of the Paulucci reference does not suggest putting a ATM type of device, for example, according to Graef into a vending machine as that would substantially add to the amount of cash which is held within the machine making it more susceptible to security breaches which is one of the shortfalls that Paulucci attempts to remedy. In addition, it is noted that the only citation to an ATM machine which is suggested, and which the Examiner latches onto, is a statement in ¶ 83 which indicates “one embodiment of this terminal may be configured similar to an ATM machine used by banks.” That is not an indication that the terminal should be an ATM machine plugged into a vending machine. Instead, the terminal referenced could be side by side with the vending machine and be connected so as to control multiple machines. It is not disclosed as being incorporated into the vending machine and function to replace the bill validation device which may presently exist in a vending machine.

It is also respectfully submitted that the proposed combinations of references are not analogous as suggested by the Examiner. Indeed, the four references come from different classes and international classifications, suggesting that they are not in fact analogous. If they were, they would be found in the same class within the patent office's filing system. Moreover, the ATM machines are specific to their own genre of products. They are very distinct from vending machines which are intended to handle money and vend products. In a vending machine, the commercial products are the focus of the machine, it is thus desirable to maximize the space available for products so that the maximum revenue can be derived from the vending machine. Accordingly, the bill acceptor portion of a vending machine is necessarily configured to be as small as possible. This is not the case with respect to the ATM devices of Katou and Graef. An ATM device is preferably large, so as to minimize the risk of an improper attempt to remove the ATM machine from its location. Thus, standard ATM machines are effectively quite large and secured to a point where they cannot be easily removed from the premises.

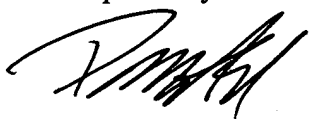
Accordingly, it is respectfully submitted that the various prior art references would not properly be combinable because there is no motivation for such a combination and those skilled in the art would not necessarily look to these classifications to attempt to pick and choose elements to try and configure, much like Paulucci tried to pick and choose various known elements to try and configure an omnibus vending machine. Indeed, the fact that Paulucci missed on the very concept which is the core of the present invention, the ability to accept notes, vend product, and recycle notes as change was not addressed at all in Paulucci despite the fact that he was making an attempt to broadly cover a new configuration for a vending machine. Accordingly, it is respectfully submitted that claims 26-30 are all patentable over the prior art of record and an early response related thereto is respectfully requested.

While the foregoing effectively invalidates the Examiner's position with respect to the claims 26-30, it is worth noting that the applicant has provided additional clarifications to the claims as discussed hereinabove to make these claims more clearly describe the concept. The claims have been amended so as to make clear that the acceptor-dispenser-validator system accepts currency notes and issues credit to the host processor to cause the dispensing of commercial products and the system receives a signal to dispense change from the host processor to cause the dispensing of notes and coins as change based upon the communication from the

host processor. This clarification has being incorporated into each of the independent claims. By this clarification, there is no doubt that the ATM devices according to Graef and Katou do not satisfy this configuration as they are not configured to accept money to pay for product and then have the balance of the payment received less the cost of the product be returned as change in the form of coins and notes. Also, neither of the two additional vending machine references relied upon by the Examiner contemplate having a bill recycling device at all. They instead refer to commonly known products in the bill handling for vending machines. Prior to the present invention and the development of applicant's products, there were no bill recycling devices or vending machines which allowed a bill to be inserted, escrowed and dispensed as change. This is a particularly beneficial advantage in the vending machine industry as it accommodates the fact that purchasers may want to purchase items with large denomination bills and they do not want to receive a substantial number of coins as change, nor do the operators of the vending machines wish to have the additional overhead associated with consistently replenishing the coins in the vending machine so as to allow the dispensing of products in exchange for, as an example, a \$20 bill for a \$.75 product.

Accordingly, in view of the foregoing, it is respectfully submitted that all of the claims are allowable over the references and an early indication thereof is respectfully requested. If the Examiner has any comments or questions with respect to the foregoing, he is invited to contact the undersigned counsel of record for the applicant.

Respectfully submitted,



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